Local Government (Financial Assistance) Amendment Bill 1987

Date Introduced: 29 May 1987
House: House of Representatives
Presented by: Hon. Tom Uren, M.P., Minister for Local Government and Administrative Services

Digest of Bill

Purpose
To provide for grants to the States for local government to be paid on a quarterly basis rather than annually.

Background
The Commonwealth has no Constitutional power to make grants directly to local government in the States. As a result, assistance to local government is through specific purpose grants to the States. Commonwealth assistance to local government was introduced in 1973 through the passage of the Grants Commission Act 1973 and the aim was to promote equal, fiscal standards in local government. Since 1976, however, funds have been allocated on the basis of recommendations made by State local government grants commissions. Under the Local Government (Financial Assistance) Act 1986 grants are made on an annual basis. This Bill proposes to alter the method of payment to quarterly grants made in the September, December, March and June quarters. It is estimated in the Explanatory memorandum to this Bill that this will save the Commonwealth $27 million. The decision to move to quarterly payments was announced as part of the initial Budget measures announced by the Treasurer on 13 May 1987.

Main Provisions
Clause 3 will insert a new sub-section (11) into section 7 of the Principal Act to provide for the grants to be paid on a quarterly basis.

For further information, if required, contact the Economics and commerce group.

30 July 1987

Bills Digest Service
Legislative Research Service

This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.